

State unlikely to get money from Grace

By BOB ANEZ
The Associated Press

HELENA — Filing claims in bankruptcy court is the only hope Montana has to get any money from W.R. Grace & Co. for costs related to health and cleanup problems created by

Montana must file a claim in bankruptcy court, McGrath says

asbestos contamination from the company's Libby mine, Attorney General Mike McGrath said Friday.

But, with the corporation already listing \$2.5 billion in liabilities in its bankruptcy fil-

ing, the state's prospects for getting any money are slim, he told Gov. Judy Martz.

His comments came in a meeting with the governor, where Martz asked for updates on what the state Justice

Department was doing to ensure Grace is held accountable for the costs of health care for Libby residents with asbestos-related disease and cleanup expenses incurred by the state.

"What can we do to get them to bring long-term health care and not let them off the hook?" she wondered. "They knowingly did this to the people that worked in their company and need to be held 100 per-

cent accountable for it."

McGrath said the state needs to file claims in Grace's bankruptcy case by a March 23 deadline. The claims could be for compensation for state expenses related to the asbestos cleanup and for

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McGrath doubts state can collect from W.R. Grace

Montana's share of health care costs for people covered by the Medicaid program.

The deaths of at least 200 residents, and illnesses among hundreds more, have been linked to asbestos contamination from the former Grace vermiculite mine in Libby. The ore was used to make a variety of household products, such as insulation, and contained harmful tremolite asbestos.

Since 1999, the U.S. Environmental Protection Agency has

been working on an emergency basis to remove asbestos from soil and buildings at the mine site and in town.

Grace began the health care program two years ago, agreeing to provide medical coverage for asbestos-related diseases suffered by former vermiculite mine workers, their families and anyone else who had lived within 20 miles of the mine or mill for at least a full year before January 2000.

McGrath said how much money Grace has available to pay claims in its bankruptcy

case will depend on the outcome of a federal trial scheduled to start Sept. 30 in New Jersey.

The U.S. Justice Department, on behalf of EPA, has accused Grace of fraudulently transferring money to spin-off companies to avoid liability in asbestos-related damage claims that already have cost the company more than \$2 billion.

If the government wins that case, McGrath said, it will mean more money to pay claims.

He asked Martz to have the two state agencies involved in the Libby asbestos problem —

Environmental Quality and Public Health and Human Services — work more closely with the Justice Department in pursuing any claims against Grace.

Martz agreed, saying the state cannot afford to have three agencies working independently toward the same purpose.

In a related development, Martz asked the Montana congressional delegation for help in finding federal funds to begin a study that will predict the long-term costs of asbestos-related health care for Libby residents.

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